

FIG. 1

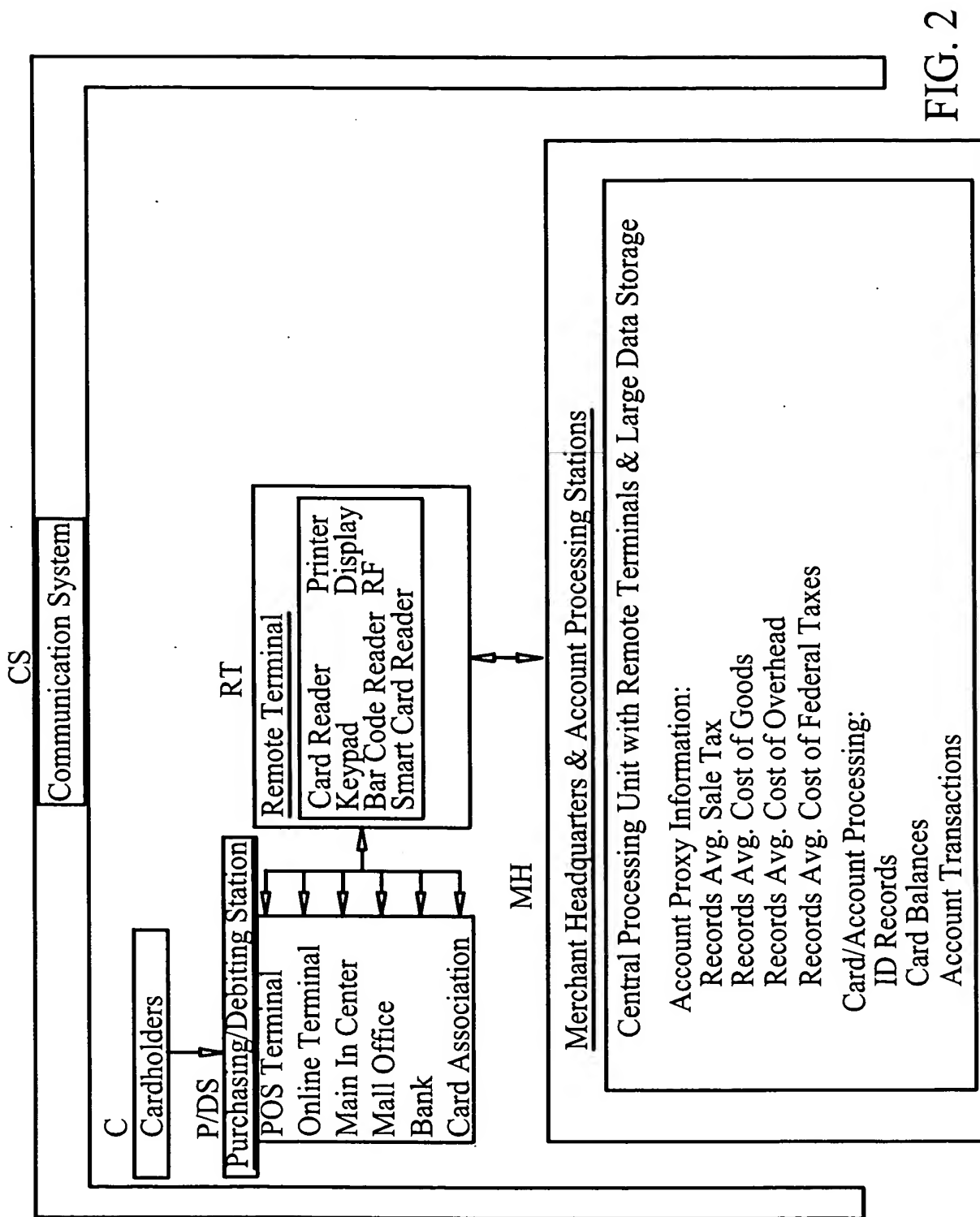


FIG. 2

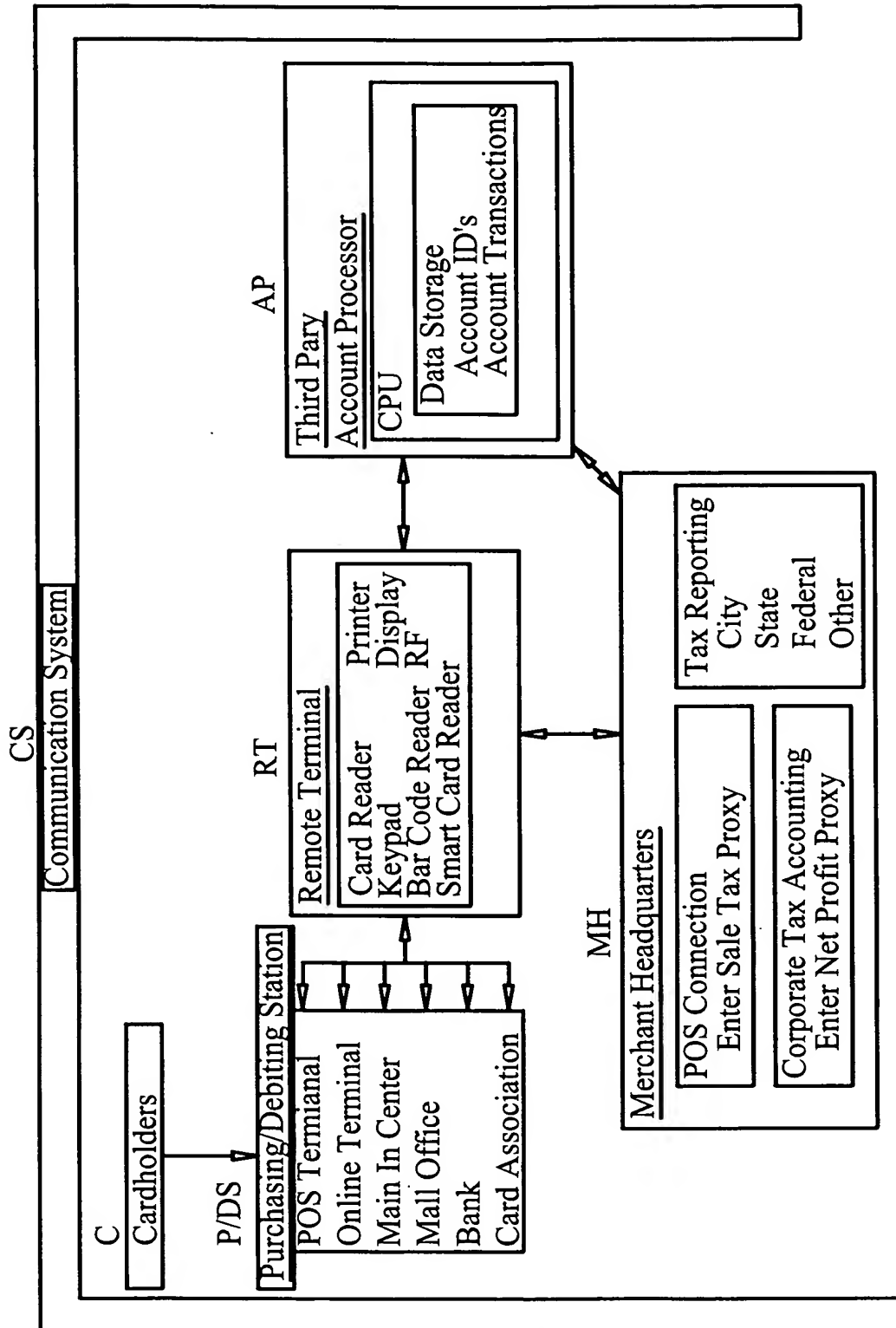


FIG. 3

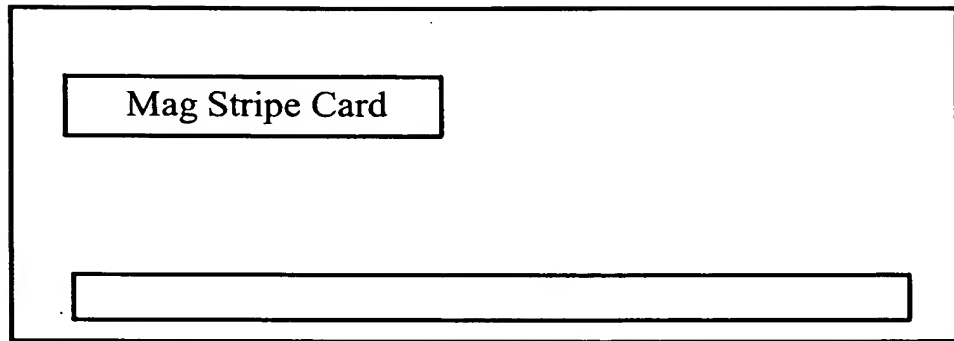


FIG. 4A

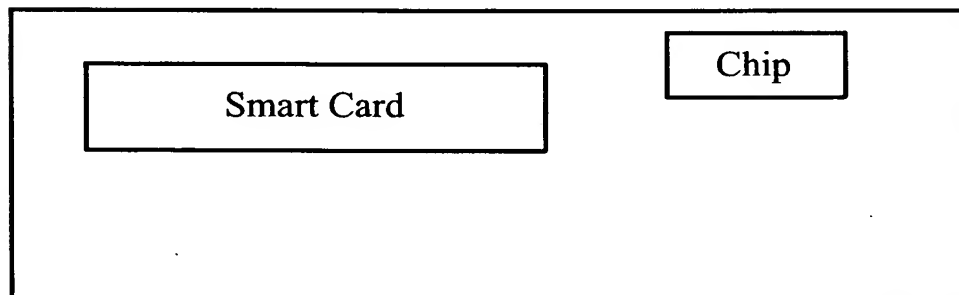


FIG. 4B

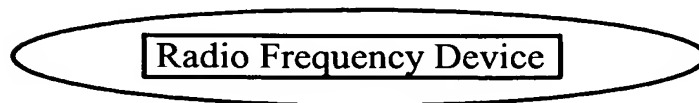


FIG. 4C

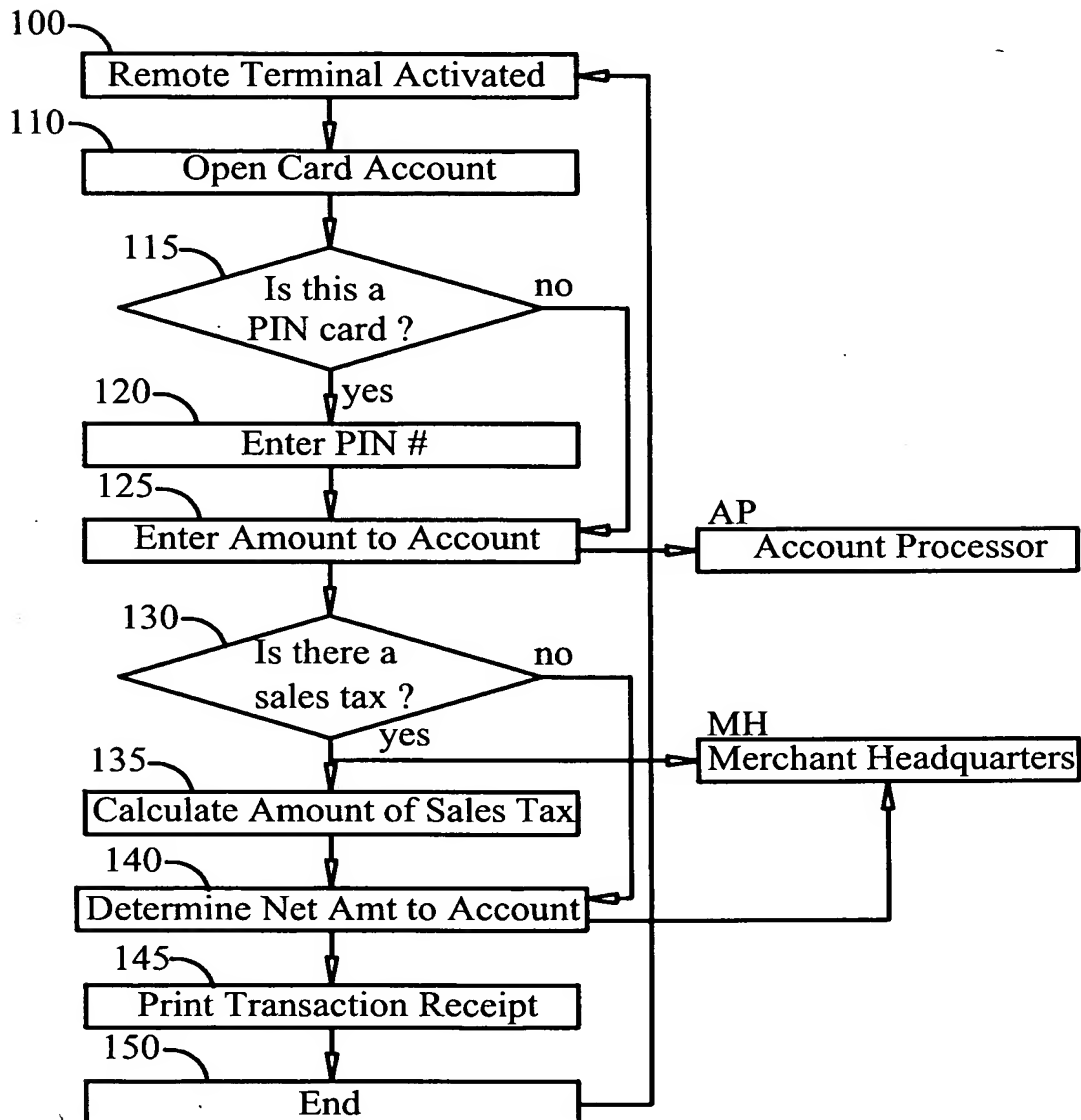


FIG. 5

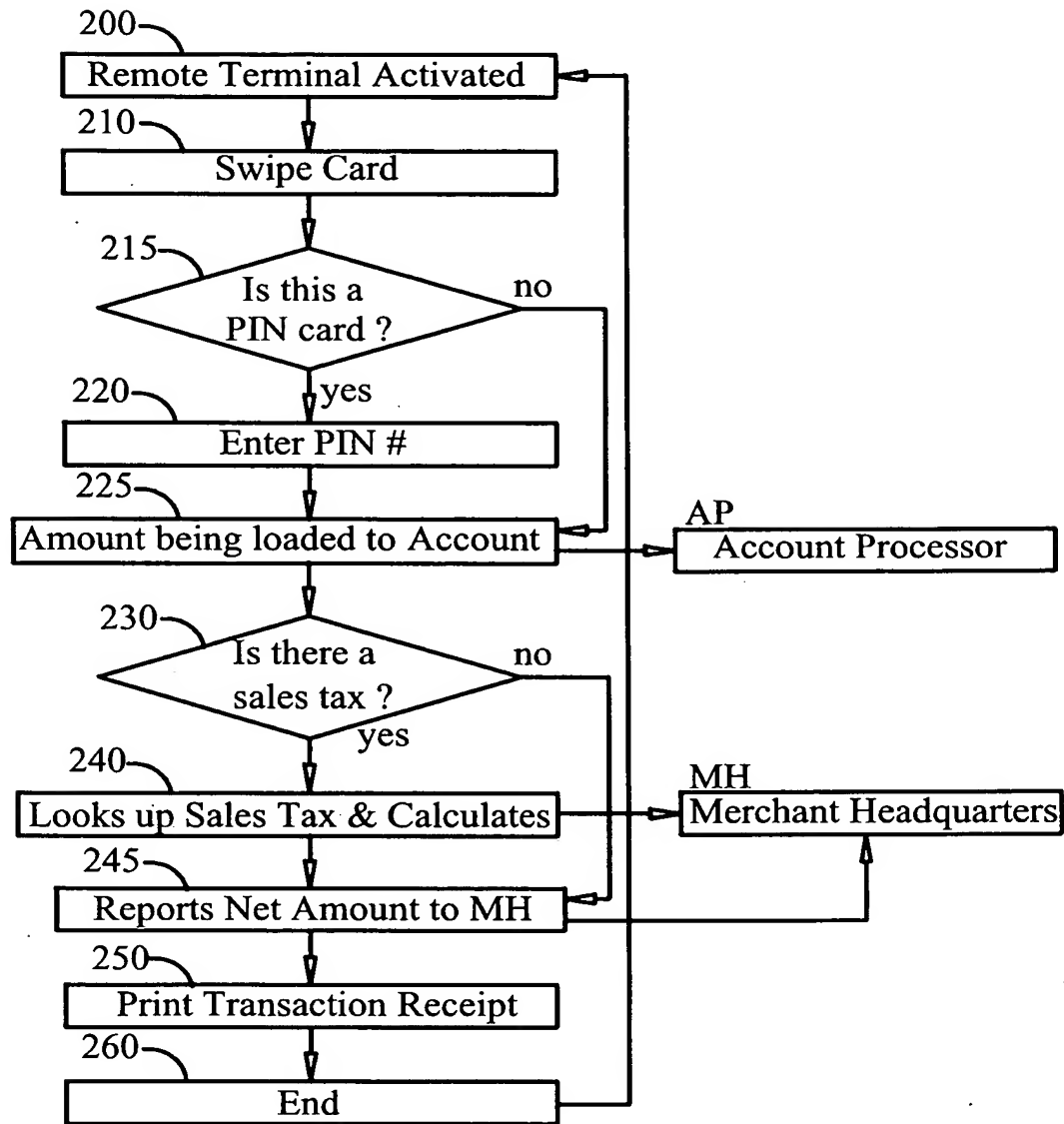


FIG. 6

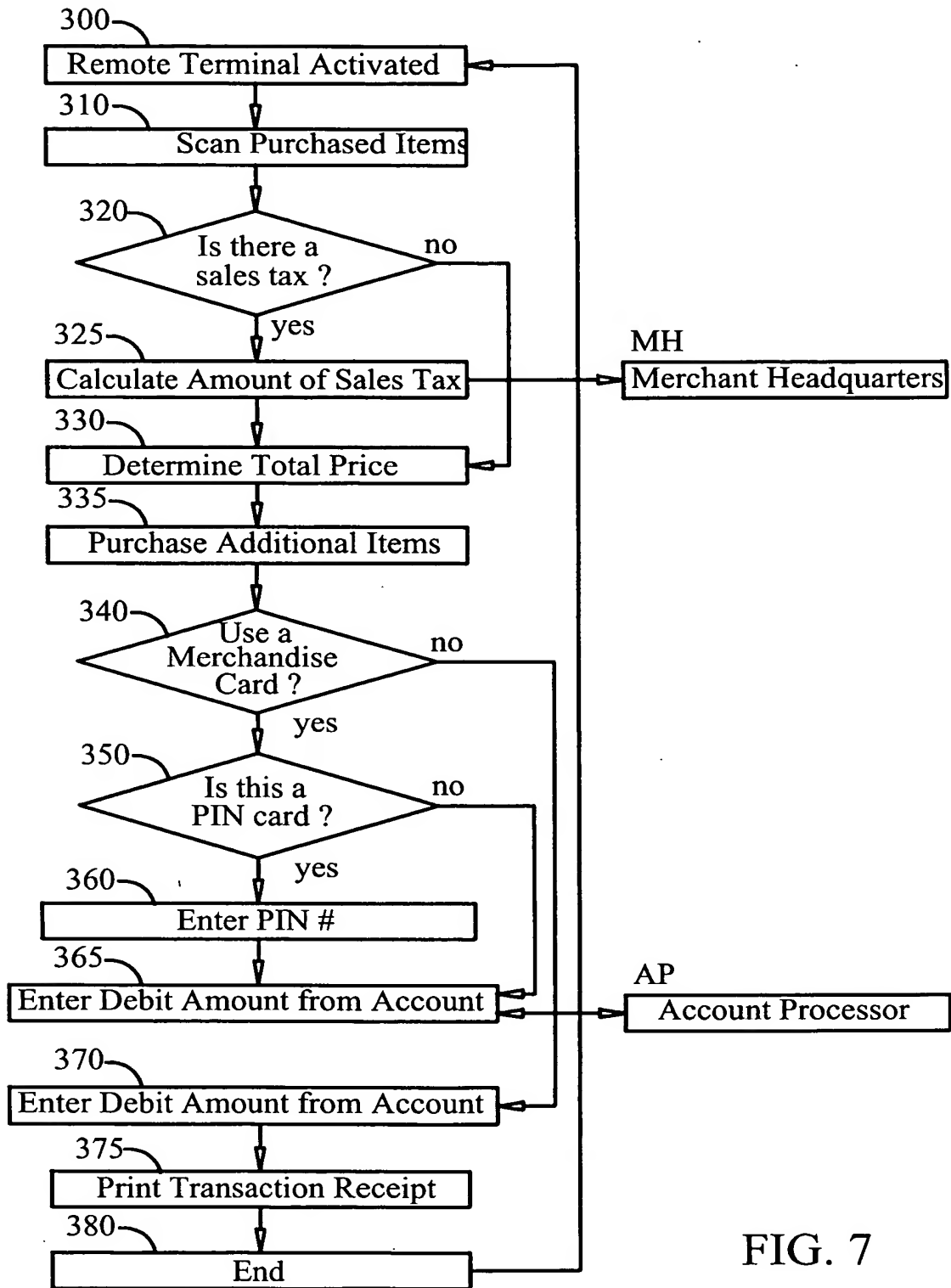


FIG. 7



1. On 3-17-03, a customer purchases a card for \$100.00 in store #141.
 2. The remote terminal RT goes online to Merchant Headquarters MH station to look up proxy sales tax experience for the merchant.
 3. For this MH, the chain reports an average transaction has a 3% sales tax.
 4. RT reports the transaction to the Account Processor AP station as transaction #1234 for the full amount of \$100.00 and credited to cardholder account #35-476-12.
 5. Either in real time or at the time the cash drawer or RT is closed out, the information on transaction #1234 is reported to MH station.
 6. At the MH station, computers record the proxy sale of transaction #1234 for \$100.00 as follows:
 - \$3.00 state sales tax
 - \$55.00 cost of goods
 - \$28.00 overhead costs
 - \$14.00 net profit
 - \$7.98 after tax profit
 7. On 4-2-03 cardholder #35-476-12 debited \$15.83 at store #151 performing transaction #6890. The following two items were purchased:
 - Item 1-24 cans of premium soda-Price \$8.43 -Sale Tax 6%=\$0.50
 - Item 2-1 women's blouse -Price \$6.45 -Sale Tax 0%=\$0.00
 - Total purchase \$15.38
 8. The RT will go online to AP station and debit \$15.38 leaving a balance of \$84.62 on account #35-476-12.
 9. When MH station receives the transaction the 2 records are recorded as follows:
 - Transaction #1234 is rewritten as \$84.36 with the following apportionments:
 - \$2.53 state sales tax
 - \$46.40 cost of goods
 - \$23.62 overhead costs
 - \$11.81 net profit
 - \$6.73 after tax profit
 - Transaction #6890 is written for \$15.38 with the following apportionments:
 - Item 1 - price \$8.43
 - \$0.51 state sales tax (@6%)
 - \$3.54 cost of goods (@42%)
 - \$1.94 overhead costs (@23%)
 - \$5.99 net profit
 - Item 2 - price \$6.45
 - \$0.00 state sales tax (@0%)
 - \$3.03 cost of goods (@47%)
 - \$1.55 overhead costs (@24%)
 - \$1.87 net profit
- Items 1 & 2 After tax profit = \$4.48

FIG. 8